

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6705

BILL NUMBER: HB 1641

DATE PREPARED: Dec 21, 2000

BILL AMENDED:

SUBJECT: Private Prisons.

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

(A) It prohibits the state, a juvenile court, or a sheriff from providing custody or confinement of an offender in a penal facility operated by an entity other than a municipality, county, state, or federal authority after June 30, 2005.

(B) It requires the Department of Correction (DOC) to annually report to the General Assembly concerning the steps that the Department is taking to implement this requirement.

(C) It authorizes the State Office Building Commission, subject to the approval of the Budget Agency after review by the Budget Committee, to provide the necessary facilities before July 1, 2005.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Department of Correction contracts with the Corrections Corporation of America for bed space for 978 offenders as of September 2000. Of these offenders, 591 were located in the Otter Creek Correctional Facility in Kentucky and 387 were located in the Marion County Jail II. The added costs for the state to house these offenders in state-owned facilities will depend on whether these offenders can live in dormitories or in individual cells. The cost for individual cells will be around \$58,000 while the costs for dormitories will be around \$40,000 per offender. Consequently, the cost to house these offenders in new facilities will range between \$39 M. and \$57 M. Besides new facilities, other costs will include new guards and staff to accommodate these offenders.

Explanation of State Revenues:

Explanation of Local Expenditures: County sheriffs would incur additional expenses if they are no longer able to contract with outside vendors. The additional cost will depend on the number of sheriffs who currently contract for jail space. The sheriff in Marion County also currently contracts out for bed space with the Corrections Corporation of America.

Explanation of Local Revenues:

State Agencies Affected: Department of Correction, State Office Building Commission, State Budget Agency.

Local Agencies Affected: County sheriffs.

Information Sources: Department of Correction, Indiana Sheriffs Association.